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DEWAN OF MYSORE.

BANGALORE,
9th January 1934.

MY DEAR MR. GLANCY,

I am writing to you with reference to the conversation we had at Mysore the other day on the subject of the Mysore subsidy.

The Government of Mysore have urged, in their previous letters to the Government of India, various grounds on which they based their claim for the total remission of the subsidy. In this letter, I wish to emphasise one aspect of the matter which may not have been brought sufficiently to the notice of the Government of India before, and which seems to deserve their special consideration.

The State of Mysore contributes *every item of revenue* which a Province does to the Imperial Exchequer, the only exception being Income-tax. The amount assessed under this head for 1932-33 is Rs. 13·75 lakhs. Calculated on the basis of the present rates in British India, which are higher than in the State, the revenue from this source would amount to about Rs. 22 lakhs a year, without taking into account the surcharge, which is exceptional and temporary in character. As against this, the State has to maintain many services of its own as it does not get the benefit of the Central Services like a British Province. The most important of these is the Military Department, expenditure on which comes to about Rs. 16·56 lakhs per annum on an average. The existence of these troops relieves the Government of India of the necessity of maintaining troops for the internal security of the State as in the case of a Province. Further, a portion of the State's forces are available and have actually been used for Imperial purposes. The Department will cost the State a great deal more when it is reorganised, as contemplated, and the number of troops is increased. This has been delayed for want of funds, but it is not advisable to put it off much longer.

The existence of a sufficient body of troops is a matter of vital necessity for a State of the size and importance of Mysore. The prestige of the Ruler, too, demands the maintenance of an adequate Military force. Without it he would sink to the position of a mere Zamindar. Such a policy would not be countenanced by the British Government. On the contrary, their policy appears to be, unless the Mysore Government are misinterpreting it, one of upholding the personal dignity and prestige of the Ruling Princes in all possible ways.

There are certain other items of expenditure which are incurred by the Central Government on Central Services, the benefit of which goes only to the Provinces and not to the States. The Mysore State has to maintain similar departments of its own and incur expenditure thereon which would not have been necessary if it was a British Indian Province. I may mention a few of these, *viz.*, the Geological,

Meteorological, Archæological and the Audit Departments. The expenditure incurred by the Mysore Government on these departments is noted below :—

	Rupees in lakhs.
Geological Department	·55
Meteorological Department	·15
Archæological do	·16
Audit do	2·83
	3·69

I have refrained from referring to other items of this kind, as I do not wish to make my arguments too elaborate. Taking into account only the above few items and the subsidy of Rs. 24½ lakhs, it would appear that the Mysore Tax-payer is subjected to a much heavier burden than he would have been if the State had been a British Province. The extent of this extra burden is Rs. 36·50 lakhs as calculated below :—

	Rupees in lakhs	
	Present burden	As a British Province
Income-tax	13·75	22·00
Military expenditure	16·56	...
Expenditure on account of other Services	3·69	...
Subsidy	24·50	...
Total ...	58·50	22·00
Extra burden ...	36·50	

The request of the Mysore Government is that the Mysore Tax-payer should be relieved of the annual cash contribution in addition to the other burdens he has to bear and that he should be placed in much the same position as a Province *vis-a-vis* the Central Government.

I hope that you will recognise the justice of this request and that you will favourably consider their repeated prayer for complete and immediate relief.

Yours sincerely,
MIRZA M. ISMAIL.

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